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July 17, 2003

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Marlene H. Dortch
Secretary
Federal Communications Commission
The Portals
445-12th Street, N.W.
Washington, D.C. 20554

Re: AboveNet Communications, Inc.
File No. ITC-ASG-20030527-00279
WC Docket No. 03-129
Letter re Change in Circumstances

Dear Ms. Dortch:

AboveNet Communications, Inc., by its attorney, hereby submits for filing an original and ten (10) copies of the above-captioned letter. Enclosed as well is a duplicate of this filing. Please date-stamp the enclosed duplicate upon receipt and return it to the bearer.

If you have any questions regarding this filing, please contact the undersigned counsel.

Sincerely,


Joan M. Griffin

/JMG
Enclosures

VA01/GRIF/46851.1

0710

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BY HAND

Marlene H. Dortch
Secretary
Federal Communications Commission
The Portals
445-12th Street, N.W.
Washington, D.C. 20554

Re: AboveNet Communications, Inc.
File No. ITC-ASC-20030527-00279
WC Docket No. 03-129

Dear Ms. Dortch:

AboveNet Communications, Inc. ("AboveNet Communications"),¹ by its attorneys, hereby advises the Commission regarding changes in circumstances that are relevant to the Applications captioned above. In these Applications, AboveNet Communications requested the Commission's consent to the transfer of control of AboveNet Communications pursuant to a Plan of Reorganization (the "Plan") whereby a newly reorganized AboveNet Communications ("Reorganized AboveNet Communications") will emerge from bankruptcy.

In the Applications, AboveNet Communications stated that upon emergence from bankruptcy, only two shareholders – the Kluge Trust and Mutual Shares Fund ("Mutual") – would hold 10 percent or more of the common stock of the parent company of AboveNet Communications, AboveNet, Inc. ("AboveNet"), as reorganized ("Reorganized AboveNet").² Since the filing of the Applications, AboveNet Communications has been advised that Mutual

¹ AboveNet Communications was previously known as Metromedia Fiber Network Services, Inc. AboveNet Communications advised the Commission of this name change by letter dated June 26, 2003 in the file numbers captioned above.

² AboveNet was previously known as Metromedia Fiber Network, Inc.

Marlene H. Dortch

July 17, 2003

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and other affiliated companies have sold certain of their claims to a third party, Fiber LLC ("Fiber"). AboveNet's press release regarding this transaction is provided in Attachment 1. As a result of this sale, Mutual's ownership interest in Reorganized AboveNet, which AboveNet Communications previously estimated at 11 percent, will be less than 10 percent after emergence.³

AboveNet Communications expects that Fiber will hold a non-controlling equity interest of more than 10 percent in Reorganized AboveNet after emergence but before the Rights Offering. However, the Rights Offering, as now amended, guarantees Fiber the right to purchase 417,303 shares, valued at \$12.5 million, in the Rights Offering. As a result, AboveNet Communications expects that Fiber, following the Rights Offering, will hold a non-controlling equity interest of 10-19 percent (calculated on a fully diluted basis) in AboveNet.⁴ AboveNet

³ As AboveNet Communications explained in its Applications, after the initial issuance of New Common Stock, 10 other mutual funds operating under the aegis of Franklin Templeton Investments ("Franklin") will separately hold ownership interests in Reorganized AboveNet which if aggregated would exceed 10 percent of Reorganized AboveNet. However, each of these funds, including Mutual, is considered to be a separate legal entity for tax and accounting purposes. While some of the funds share the same board of directors, the majority of the directors on all but one of these boards are disinterested directors (and the board whose majority of directors are not disinterested will hold less than a .23 percent ownership interest in Reorganized AboveNet). No shareholder of any of these funds would be deemed to hold a 10 percent or greater interest under the relevant ownership attribution rules.

Franklin provides to these funds many of the services required to operate a fund. However, neither Franklin nor any of its subsidiary companies hold equity interests in any of the funds. Franklin Mutual Advisers, LLC ("FMA") is the investment advisor to each of these funds pursuant to a separate advisory contract with each fund. Pursuant to these contracts, FMA makes investment decisions and holds the voting rights for the securities beneficially owned by each fund. However, each advisory contract limits FMA's discretion to operating in accordance with the overall directives and goals of that specific fund, and requires FMA to follow the directions of the fund's board. Furthermore, FMA has no economic interest in any of the investments it manages on behalf of the funds.

⁴ If there are unexercised rights outstanding at the end of the Rights Offering, the Rights Offering as amended obligates Fiber to purchase half of the unexercised rights, up to \$25 million (834,606 shares inclusive of the 417,303 shares guaranteed to Fiber). The other half of the unexercised rights must be purchased by the Kluge Trust. If AboveNet Communications assumes that no one subscribes to the Rights Offering and Fiber were obligated to purchase half of the unexercised rights, Fiber's ownership interest in AboveNet following the Rights Offering would be approximate 17 percent on a fully diluted basis. In this scenario, the Kluge Trust would also hold an approximately 17 percent ownership interest on a fully diluted basis following the Rights Offering. As explained in the Applications, AboveNet Communications expects that the Kluge Trust

Communications notes that the amount of Fiber's ownership interest in AboveNet may change going forward if Fiber purchases additional claims from other claimholders; however, it is AboveNet Communications' understanding that Fiber has no current plans to purchase ownership interests that would exceed 19 percent in the aggregate.

Regardless, the introduction of Fiber as a 10-percent-or-greater shareholder is a minor change since Fiber, like Mutual in the previous scenario, will have no control of AboveNet or its subsidiaries. With the exception of the Rights Offering, Fiber's rights and obligations vis-à-vis AboveNet and its subsidiaries during the bankruptcy process and following emergence are no different than the rights and obligations of Mutual. As such, the introduction of Fiber is simply the substitution of one minority shareholder for another. A chart showing the corporate organization of Reorganized AboveNet and its subsidiaries with this change in ownership interest is provided in Attachment 2.

Further information regarding these changes to the Rights Offering is provided in AboveNet's second amended Plan of Organization ("Second Plan"), filed with the U.S. Bankruptcy Court for the Southern District of New York on July 2, 2003.⁵ AboveNet filed the Second Plan and Second Disclosure Statement to reflect the change in ownership as well as other minor changes that have taken place since the filing of the original Plan in May, 2003. Among other things, AboveNet has adjusted aspects of the Plan to reflect the resolution of various issues raised by the Creditors Committee and other parties. The Second Plan also provides additional information that is relevant to the Plan's implementation. AboveNet Communications represents to the Commission that there are no material differences between the Second Plan and the Plan as provided and discussed at length in the Application.

Fiber is a limited liability company organized under the laws of the State of Washington. The primary business of Fiber is communications investments. The sole member of Fiber is COM Holdings, LLC ("COM"). COM is a limited liability company that is organized under the laws of the State of Washington and whose primary business is communications investments.

will hold a non-controlling equity interest of 11 percent in AboveNet after emergence but before the Rights Offering.

⁵ See "Disclosure Statement And Summary of Plan Distributions For Holders Of Claims and Equity Interests With Respect To The Second Amended Plan Of Reorganization Of Metromedia Fiber Network, Inc.," filed July 2, 2003 ("Second Disclosure Statement") in *In re Metromedia Fiber Network, Inc., et al.*, Case No. 02-22736 (ASH) through 02-22742 (ASH); 02-22744 (ASH) through 02-22746 (ASH); 02-22751 (ASH) through 02-22754 (ASH) (Bankr.S.D.N.Y.), filed May 20, 2002. The Second Plan is described and included in the Second Disclosure Statement as Exhibit A. A copy of the Second Disclosure Statement is will be provided upon request.

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The sole member of COM is Craig O. McCaw, a U.S. citizen and current Commission licensee. The address of Fiber, COM, and Mr. McCaw is 2300 Carillon Point, Kirkland, WA 98033.

The substitution of one minority investor (Fiber) for another (Mutual) in the reorganization of AboveNet does not change the Applications' conclusion that the reorganization of AboveNet will not result in any anticompetitive effects or other harms to the public interest. While Mr. McCaw is involved in other telecommunications ventures, the proposed transaction is simply a reorganization in bankruptcy and not a merger. As a result, no actual or potential competitors will be eliminated or otherwise unduly impacted by the proposed transaction. Eagle River Investments, LLC ("Eagle River Investments"), an entity controlled by Mr. McCaw, owns 34.6 percent of the shares outstanding, and controls 69.9 percent of the voting power, in ICO Global Communications (Holdings) Limited ("ICO"). ICO plans to provide high-quality voice, wireless Internet, and other packet-data mobile services using its own medium-Earth-orbit satellite system.⁶ Eagle River Investments also holds significant voting interests in Teledesic LLC ("Teledesic"). Teledesic holds a license to implement a network of medium-Earth-orbit satellites that will be used to provide fixed broadband services. In addition, Mr. McCaw 1) is a director and owns 5.6 percent of the total outstanding shares, directly and through entities that are wholly owned or controlled by him, of Nextel Communications, Inc. ("Nextel Communications"), and 2) owns directly or indirectly 6.3 percent of the total outstanding shares of Nextel Partners. Nextel Communications and Nextel Partners provide digital wireless communications services in most markets in the U.S.

⁶ ICO recently received bankruptcy court approval to acquire a controlling interest in New Globalstar Corporation ("Globalstar"), and applications for Commission approval of this transaction are currently on public notice. See *"New Globalstar Corporation Seeks Consent to Assignment and Transfer of Control of Licenses and Authorizations Held by Globalstar, L.P. Subsidiaries and Affiliates,"* IB Docket No. 03-136, DA 03-1932, rel. June 12, 2003. Globalstar provides satellite phone service, including Internet and private data network connectivity, using its own low earth orbiting network of satellites.

Marlene H. Dortch


July 17, 2003

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Please contact the undersigned counsel if there are any questions regarding this matter.

Sincerely,

ABOVENET COMMUNICATIONS, INC.

By: 
Joan M. Griffin
Its Attorney

cc: Tracey Wilson
Dennis Johnson
William Dever
Jeremy Miller
Imani Ellis-Cheek
Christopher Killion
Qualex International



AboveNet™

Attachment 1

NEWS RELEASE

Corporate Headquarters 360 Hamilton Avenue White Plains, NY 10601 914.421.6700 www.mfn.com

FOR IMMEDIATE RELEASE

MFN's Disclosure Statement Receives Court Approval and Committee Support; McCaw Purchases Significant Claims and Commits to Rights Offering

Approval Clears the Way for Vote on the Plan of Reorganization

NEW YORK, July 17, 2003 – Metromedia Fiber Network, Inc. announced today that its disclosure statement received approval of the United States bankruptcy court for the Southern District of New York, clearing the way for a vote on MFN's proposed plan of reorganization. The Company's Creditors' Committee, including Franklin Mutual Advisers, one of the Company's largest creditors, supports the plan of reorganization and is recommending that creditors vote in favor of its approval. A hearing on confirmation of the plan is expected to take place in late August or early September. As previously announced, MFN will become AboveNet, Inc. upon emergence from Chapter 11.

In addition the Company announced that Fiber, LLC, an entity owned by telecom industry pioneer and investor Craig McCaw, has purchased certain significant trade claims. These claims will translate into a significant equity ownership interest in the new company, AboveNet, Inc.

"Craig McCaw has been a long-standing leader in the communication industry and we are thrilled to have him as part of the new company. The support of a visionary like Craig is a great vote of confidence for us and for our future," said John Gerdelman, president and chief executive officer of the company.

The plan of reorganization provides for a \$50 million rights offering to creditors, and Fiber, LLC and the Kluge Trust, a trust associated with John Kluge, have agreed to purchase any outstanding portion of the rights offering not purchased by other creditors. Further, the Company has guaranteed Fiber, LLC a minimum \$12.5 million participation in the rights offering.

“With creditor support and additional funding through the rights offering, we are confident that the new AboveNet will emerge as a strong and nimble company poised for growth with a solid business plan and a healthy balance sheet,” said Gerdelman.

About Metromedia Fiber Network, Inc.

Metromedia Fiber Network, Inc. , which plans to change its name to AboveNet Inc. upon emergence from bankruptcy, combines the most extensive metropolitan area fiber network with a global optical IP network, state-of-the-art data centers and award winning managed services to deliver fully integrated, outsourced communications solutions for high-end enterprise companies. The all-fiber infrastructure enables AboveNet customers to share vast amounts of information internally and externally over private networks and a global IP backbone, creating collaborative businesses that communicate at the speed of light.

On May 20, 2002, Metromedia Fiber Network, Inc. and most of its domestic subsidiaries commenced voluntary Chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York. The Company has requested a hearing on confirmation of its plan of reorganization on August 21.

This news release contains forward-looking statements that involve risks and uncertainties. Factors that could cause or contribute to such risks and uncertainties include, but are not limited to, general economic and business conditions, competition, changes in technology and methods of marketing, and various other factors beyond the Company's control. This also includes such factors as are described from time to time in the SEC reports filed by Metromedia Fiber Network including the most recently filed Forms S-3, 10-K and 10-Q.

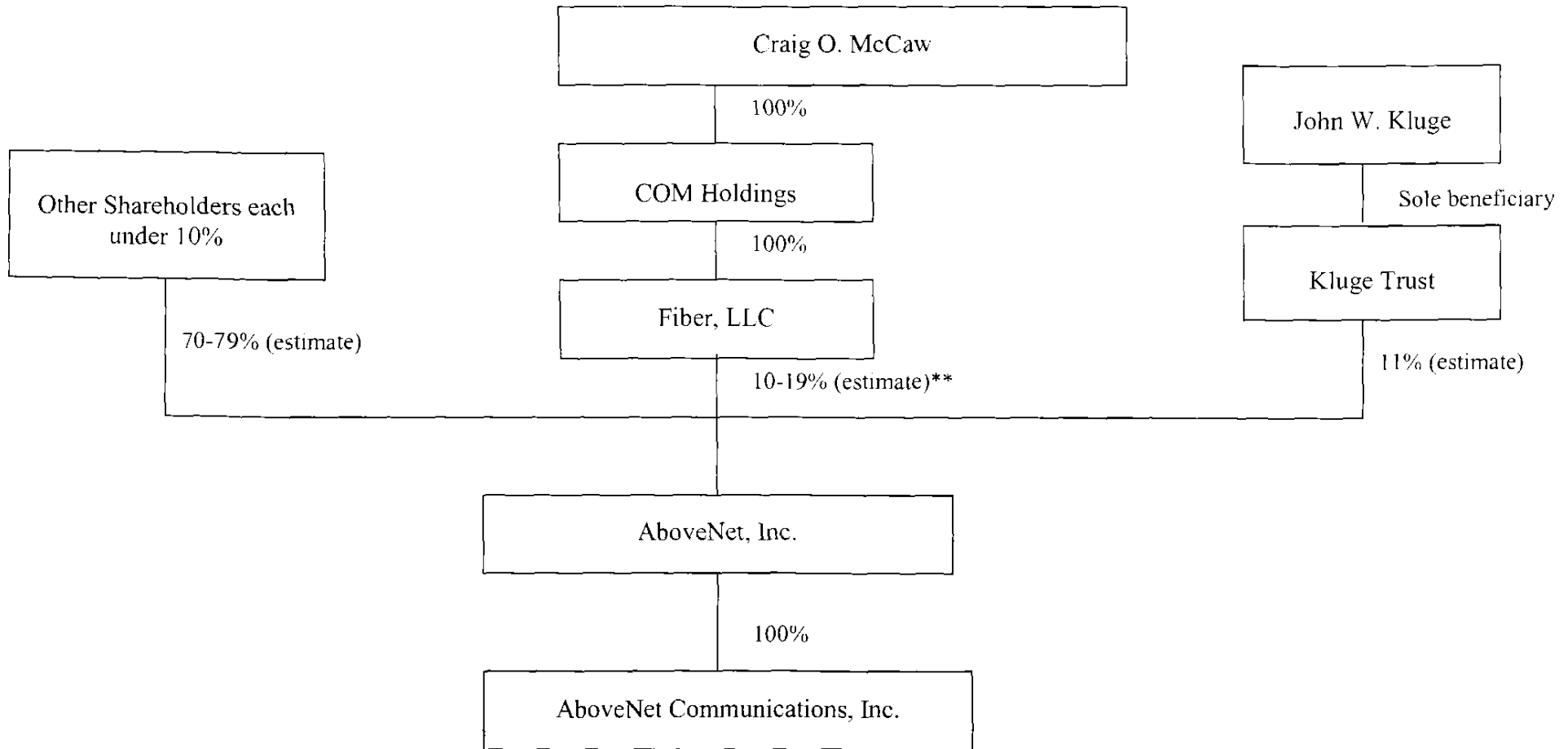
CONTACTS:

Kara Carbone
914.683.6386
kcarbone@above.net

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Proposed 10% or Greater Shareholders and Organization of
AboveNet Communications, Inc. Post-Reorganization*

Attachment 2



*No shareholders other than the Kluge Trust and Fiber are expected to hold 10% or more of the common stock of Reorganized AboveNet (either directly or pursuant to the applicable ownership attribution rules) following the initial issuance of New Common Stock or after the Rights Offering.

**It is estimated that Fiber will hold a non-controlling equity interest of 10-19% in AboveNet following the Rights Offering.